Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

CONFIDENTIAL

PAGE 01 BUCHAR 03106 101532Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
IO-13 ACDA-12 EB-08 TRSE-00 INT-05 DOE-15 SOE-02
COME-00 OES-07 STR-07 /135 W
----------060826 102239Z /61
R 101259Z MAY 78
FM AMEMBASSY BUCHAREST
TO SECSTATE WASHDC 9433
INFO AMEMBASSY BERLIN
AMEMBASSY PUDAPEST
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMCONSUL MUNICH
AMEMBASSY PARIS
AMEMBASSY SOFIA
USMISSION USNATO
AMEMBASSY WARSAW

C O N F I D E N T I A L BUCHAREST 3106

EO 11652: GDS
TAGS: ETRD EFIN EIND ENRG PL RO UR COMECON
SUBJECT: COAL AND OIL IN POLISH ECONOMIC RELATIONS WITH ROMANIA AND USSR

REF: (A) WARSAW 3378 (B) BUCHAREST 2197 (C) WARSAW 1666 (D) BUCHAREST 1078

1. SUMMARY. IN MAY 9 CONVERSTION, POLISH AMBASSADOR WOJTASIK SAID POLES AND ROMANIANS HAD FILLED "COAL GAP" (AND BEEN ABLE TO SING VERY TARDY 1978 TRADE PROTOCOL) BY AGREEING TO ROMANIAN INVESTMENT TO DEVELOP OLDER COKING COAL MINE IN RETURN FOR TAKE-OFF, BUT WITH OPTION TO CONTINUE COOPERATION IN NEW LUBLIN FIELD. SOVIETS WOULD NOT BE GETTING LUBLIN COAL, WOJTASIK INSISTED, UNTIL THEY AGREED TO MEET RISING POLISH OIL REQUIREMENTS, WHICH
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUCHAR 03106 101532Z

HE SPECIFIED AS 20 MILLION TONS ANNUALLY FOR CURRENT PLAN PERIOD AND 25 MILLION FOR NEXT, UP FROM 15 MILLION SOVIETS CURRENTLY DELIVER. DEYOND DEFINING OIL NEEDS POLES NOW PROJECT, REMARKS ARE OF INTEREST FOR HINT THAT GIEREK MAY HAVE BEEN DISCUSSING COAL-OIL TRADEOFF IN MOSCOW, AND THAT SOVIETS WERE NOT BUYING. END SUMMARY.

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

2. AT CZECHOSLOVAK NATIONAL DAY RECEPTION MAY 9, DCM ASKED POLISH AMBASSADOR WOJTASIK WHAT HAD FINALLY BEEN DISCOVERED TO FILL "COAL GAP" (REF D) AND PERMIT SIGNATURE OF 1978 POLISH-ROMANIAN TRADE PROTOCOL THREE MONTHS LATE. WOJTASIK FIRST REPLIED THAT HE DID NOT UNDERSTAND WHY COAL SEEMED SO IMPORTANT, SINCE IT ACCOUNTEF FOR SUCH SMALL PORTION OF LARGE BILATERAL TRADE TURNOVER. HOWEVER, WHEN REMINDED OF STRATEGIC IMPORTANCE OF COKING COAL SUPPLIES IN ROMANIAN ECONOMIC DEVELOPMENT, AND ROMANIAN INTEREST IN COKING COAL FROM LUBLIN FIELD, HE WENT ON TO SAY TROUBLE WITH LUBLIN FIELD IS THAT COAKING COAL AND COKE ARE NOT YET AVAILABLE. BLACK COAL IN FIELD IS RICHEST IN WORLD, BURNING AT 7,000 KILOCALORIES/KG. (UP 200 FROM DCM HENSCHKE'S FIGURE PER REF D), BUT MINING OPERATIONS FOR DEEP COKING COAL ARE STILL SOME WAY OFF. THEREFORE, POLES AND ROMANIANS AGREED ON SOLUTION INVOLVING ROMANIAN INVESTMENT TO DEVELOP OLDER MINE, NOT IN LUBLIN AREA, TO TAKE OFF PROVEN (BUT DEEP) COKING COAL RESERVES. AT SAME TIME, BOTH SIDES CONTINUE INTERESTED IN DELIVERIES TO ROMANIA FROM LUBLIN, WHERE IT COMES ON LINE. IN EARLIER APRIL 28 MEETING WITH EMBOFFS, POLISH FIRST SECRETARY (POLITICAL AFFAIRS) FLORIAN URYZAJ CONFIRMED THAT SIGNING OF TRADE PROTOCOL WITH ROMANIA HAD BEEN DELAYED BECAUSE OF "COAL GAP." URYZAG ADDED THAT SIGNING TOOK PLACE ONLY AFTER HIGH-LEVEL OFFICIALS ON BOTH SIDES HAD RESOLVED THIS ISSUE IN MUTUALLY SATISFACTORY MANNER.)

3. IN SAME MILDLY PROVOCATIVE VEIN, DCM SAID HE HAD HEARD CONFIDENTIAL

NOT MUCH CUBLIN COAL WOULD BE AVAILABLE TO ROMANIA, SINCE SOVIETS WOULD BE GETTING MOST OF EXPORTING COAL FROM FIELD; HE CITED LUBLIN SPUR OF BROAD-GAUGE RAIL LINK UNDER CONSTRUCTION BETWEEN KATOWICE AND USSR. RAISING TO OCCASION AGAIN, WOJTASIK SAID HE DID NOT NEED TO SAY IT, BUT IF HE SAID IT HE WAS NOT LYING: IF DCM HAD HEARD THAT, HE WAS BEING LED INTO ERROR. BROAD-GAUGE RAIL LINK FOR KATOWICE PLANT WAS FOR IRON ORE SHIPMENTS; WITHOUT IT, COSTS OF BORDER TRANSLOADING FROM BROAD TO NARROW GAUGE WOULD BE FIFTY PERCENT HIGHER FOR QUANTITIES NEEDED BY TEN-MILLION TON STEEL PLANT. SOVIETS WANTED MORE COAL, BUT POLES WOULD SELL MORE ONLY IF SOVIETS DELIVERED MORE OIL, AND THEY WERE MAKING NO COMMITMENTS, EITHER FOR THIS PLAN PERIOD OR FOR 1981-1985. CURRENT ANNUAL DELIVERIES ARE FIFTEEN MILLION TONS OF CRUDE AND PRODUCT; CURRENT NEEDS ARE TWENTY MILLION TONS; AND ANNUAL NEEDS IN THE NEXT PLAN PERIOD WILL BE TWENTY-FIVE MILLION. IF THE SOVIETS WOULD MAKE COMMITMENTS FOR DELIVERIES POLES NEED, WOJTASIK SAID, POLES COULD DELIVER NOT ONLY COAL BUT MACHINERY, INDEED ALMOST WHATEVER THEY WANTED. BUT THAT WAS NOT PRESENT SITUATION, AND AS LONG AS IT DID NOT CHANGE, SOVIETS WOULD NOT BE GETTING COAL FROM LUBLIN.

4. COMMENT. WOJTASIK'S REMARKS MAY BE OF INTEREST (1) AS

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

EVIDENCE THAT POLES ARE ACTING LIKE SOVIETS IN RELATIONS
WITH ROMANIANS, REQUIRING INVESTMENT IN RAW MATERIALS DEVELOP-
MENT IN RETURN FOR PRODUCT TAKEOFF; (2) AS SPECIFICATION
OF POLISH PROJECTION OF POL REQUIREMTNS TO 1985; AND (3)
AS HINT THAT ONE TOPIC OF GIEREK'S TALKS IN MOSCOW WAS OIL-
COAL TRADEOFF, AND THAT SOVIETS WERE NOT BUYING, AT LEAST FOR
THE MOMENT. IN ANY EVENT, LUBLIN COAL FIELD APPEARS TO BE
DEVELOPING AS ACE-IN-HOLE FOR POLAND'S ECONOMIC RELATIONS
WITH "SOCIALIST PARTNERS." AT SAME TIME, IT IS WORTH NOTING
THAT WOJTASIK DID NOT DISCUSS PRICES, WHICH PRESUMABLY PLAY
IMPORTANT ROLE IN THESE DISCUSSIONS.
AGGREY

CONFIDENTIAL

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COAL, PETROLEUM, ECONOMIC COOPERATION, REPORTS, ECONOMIC INTEGRATION, INTELLIGENCE ASSESSMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BUCHAR03106
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780199-0257
Format: TEL
From: BUCHAREST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780575/aaaaclzs.tel
Line Count: 127
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: dff4b0a1-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 WARSAW 3378, 78 BUCHAREST 2197, 78 WARSAW 1666, 78 BUCHAREST 1078
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2740615
Secure: OPEN
Status: NATIVE
Subject: COAL AND OIL IN POLISH ECONOMIC RELATIONS WITH ROMANIA AND USSR
TAGS: ETRD, EFIN, EIND, ENRG, PL, RO, UR, COMECON
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/dff4b0a1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014